

CORRECTED FISCAL NOTE

SB 1572 - HB 2100

March 12, 2007

SUMMARY OF BILL: Creates the "Tennessee Broadband Access Corporation (TBAC)" as a quasi-public, non-profit instrumentality for the facilitation and deployment of broadband access in Tennessee. Requires the Governor to appoint a Board of Directors for the TBAC. Requires the Tennessee Bureau of Investigation (TBI) to conduct criminal history checks on potential directors. Authorizes named directors to receive expense reimbursements or a per diem, but no salaries. Requires the board to appoint a chief executive officer for the TBAC. The TBAC shall have any and all powers necessary or convenient to carry out and effectuate the purposes and provisions of this act. Requires the chair of the Board of Directors to appoint a Broadband Stakeholder Advisory Board for advising the Board of Directors on all aspects of broadband deployment throughout the state. Authorizes TBAC to be a participating employer in the Tennessee Consolidated Retirement System, at the corporation's expense, under specified conditions.

ESTIMATED FISCAL IMPACT:

On March 2, 2007, we issued a fiscal note for this bill indicating *a recurring increase to state expenditures exceeding \$2,000,000 per year and a one-time increase to state expenditures of \$5,000*. Based on new information, the estimated fiscal impact for this bill is:

(CORRECTED)

**Increase State Expenditures – \$2,500,000 Recurring
\$5,000 One-Time**

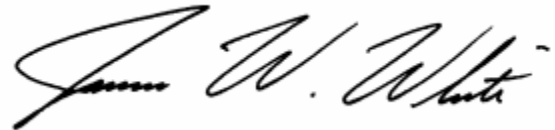
Assumptions:

- According to TBI, there would be a one-time increase to departmental expenditures for conducting criminal history checks for potential directors. This one-time increase to state expenditures is estimated to be \$5,000.
- Seven (7) Board of Director members and five (5) Broadband Stakeholder Advisory Board members.

- The Board of Directors and the Broadband Stakeholder Advisory Board will meet one day each quarter. Each director and board member will be reimbursed for expenses by per diem equal to \$153 per day, and for mileage traveled equal to \$120 (\$273 per day maximum).
- The recurring increase to state expenditures for board meetings and advisory board meetings is estimated to be \$13,100 (\$273 X 12 members X 4 days = \$13,104).
- This bill does not identify a funding source for the TBAC.
- According to Finance & Administration, Kentucky has a broadband corporation (ConnectKentucky) similar to the one proposed in this legislation. ConnectKentucky has 30 full-time employees and an annual operating budget in excess of \$2.5 million.
- Based from the operating budget of Kentucky's broadband corporation, and expenditure estimates for the required board meetings, the recurring increase to state expenditures is estimated to be \$2,500,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director